

City of Frisco

Storm Water Utility Council Update: Rate Structure Options

January 20, 2009



Proposed Residential Rate Structure

Property Type	Parcel Size (square feet)	% of Properties	2009-2010	2011-Future
Residential	Tier 1 <5,000	5%	\$1.20	\$1.55
	Tier 2 5,000 - 20,000	92%	\$2.00	\$2.60
	Tier 3 ≥20,000	3%	\$3.85	\$5.00
Non-Residential	Per 100 sq ft impervious area		\$0.057	\$0.074

COUNCIL REQUEST

Two-Tier Residential Option

Property Type	Parcel Size (square feet)	% of Properties	2009-2010	2011 – 2012
Residential	Tier 1 <5,000	5%	\$1.20	\$1.55
	Tier 2 ≥5000	95%	\$2.10	\$2.70
Non-Residential	Per 100 sq ft impervious area		\$0.056	\$0.073

COUNCIL REQUEST

Single Rate Residential Option

Property Type	Parcel Size (square feet)	% of Properties	2009-2010	2011-Future
Residential	Flat Rate	100%	2.05	2.65
Non- Residential	Per 100 sq ft impervious area		\$0.056	\$0.072

Comparison of Rate Structures

Properties		2009-2010			2011-Future		
Lot Size (sf)	Houses	3-Tier	2-Tier	Single Rate	3-Tier	2-Tier	Single Rate
Tier 1 <5,000 sf	5%	\$1.20	Tier 1 \$1.20	\$2.05	\$1.55	Tier1 \$1.55	\$2.65
Tier 2 5000 – 20,000 sf	92%	\$2.00	Tier 2 \$2.10		\$2.60	Tier 2 \$2.70	
Tier 3 ≥20,000 sf	3%	\$3.85			\$5.00		
Commercial (\$/100 sf IA)		\$0.057	\$0.056	\$0.056	\$0.074	\$0.073	\$0.072

COUNCIL REQUEST BACKGROUND

City Comparison Residential and Non-residential Monthly Rates				
	Allen (Flat)	McKinney (Flat)	Plano (Tiered)	Proposed Frisco (Tiered)
Small Residential	\$3.00	\$2.75	\$2.25	\$1.20
Average Residential	\$3.00	\$2.75	\$3.30	\$2.00
Large Residential	\$3.00	\$2.75	\$4.25	\$3.85
Non-residential (100 SF IA/mo)	\$0.52 Min - \$20.42/mo Max - \$100.00/mo	\$0.117 Min - \$2.75/mo Max - \$200.00/mo	\$0.056 + 10% IA Min – \$2.25/mo	\$0.057
Examples				
Small (McDonalds)	\$21.00	\$37.00	\$19.00	\$17.00
Large (Brookshires)	\$77.00	\$175.00	\$92.00	\$85.00

City of Frisco

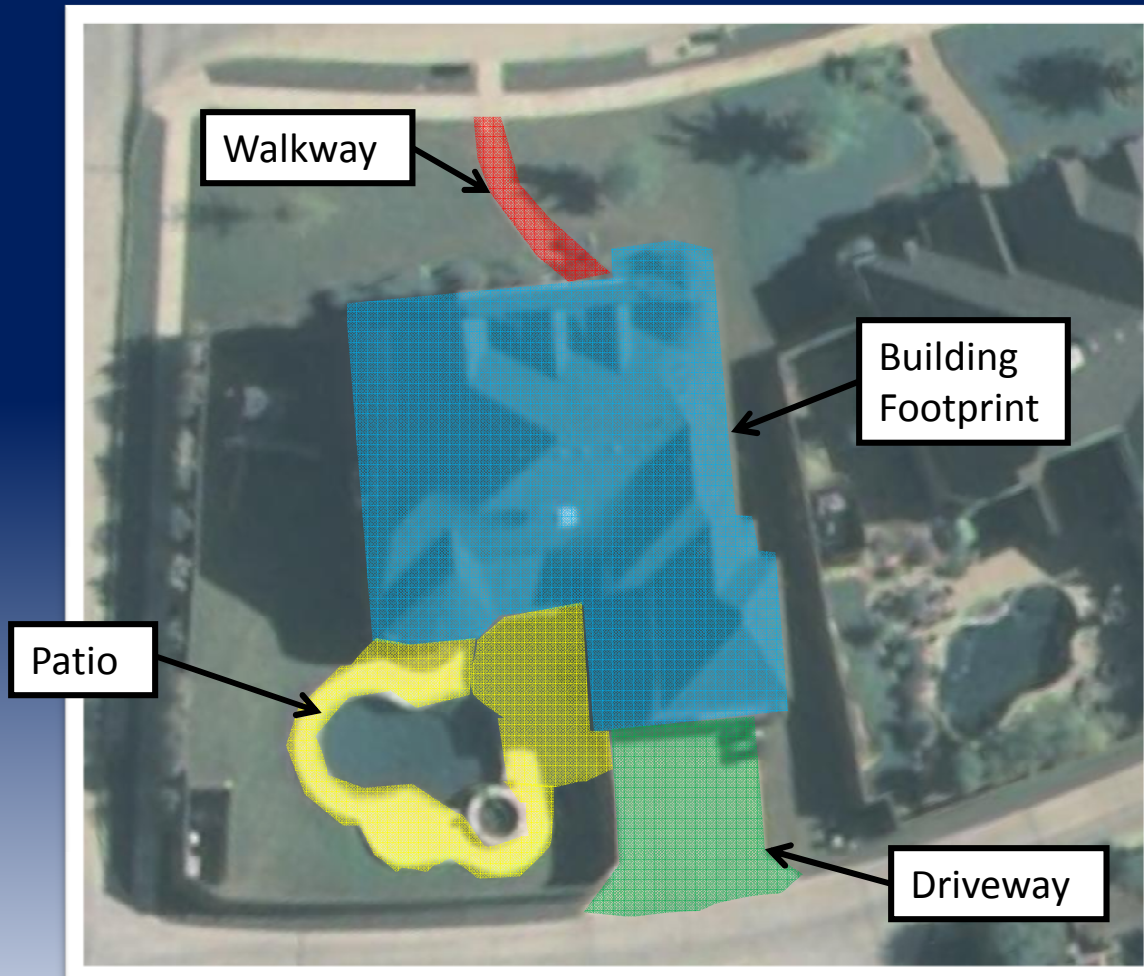
Storm Water Utility Council Update: Rate Structure Options

January 20, 2009



COUNCIL REQUEST BACKGROUND

Residential Impervious Area



Residential Tier	Average Impervious Area (sf)
Tier 1 <5,000 sf	2,081 sf
Tier 2 5,000-20,000 sf	3,540 sf
Tier 3 ≥20,000 sf	6,767 sf

Based on analysis of
19,000 lots.

Data Use for

- Most current city planimetric data used (2003)
 - Building footprint only
 - Does not include driveways, patios, outbuildings, walkways
 - Sampling included examination of 19,000 lots
- Effort to uniquely identify each house would increase cost for maintaining utility significantly – thus driving up the required fees.

Basis for Original Fee Structure

“...the basis must be directly related to drainage and...must be nondiscriminatory, equitable, and reasonable.” **LGC § 402.047(a)**

- ***Nondiscriminatory*** – charge based on runoff contribution to storm system
- ***Equitable*** – Different rates for different contributions (based on impervious area)
- ***Reasonable*** – Balance administrative costs vs. absolute equitability

Residential Tiers vs. Flat Rate

Factor	Flat Rate	Tiered
Lower administration costs	✓	
Lower cost for smaller properties		✓
Lower cost for larger properties	✓	
Use by other storm water utilities	✓	✓
Comparative equitability		✓

OTHER TIER ADJUSTMENT OPTIONS

Fee Structure Options (\$/month)

Changes Lot Size Distribution

Properties		2009-2010			2011-Future		
Lot Size (sf)	Houses	3-Tier	2-Tier	Single Rate	3-Tier	2-Tier	Single Rate
Tier 1 <6,000	12%	\$1.55	Tier 1 \$1.55	\$2.05	\$2.00	Tier 1 \$2.00	\$2.65
Tier 2 6,000 – 12,000	77%	\$1.95	Tier 2 \$2.15		\$2.50	Tier 2 \$2.75	
Tier 3 ≥12,000	11%	\$3.20			\$4.10		
Commercial (\$/100 sf IA)		\$0.057	\$0.056	\$0.056	\$0.074	\$0.072	\$0.072

EXEMPTIONS

Exempt properties

Property Type	% of Properties	% of Total Impervious Area	Exempt?
Residential	91%	65%	No
Commercial	6%	28%	No
Church	<1%	1%	Yes (Proposed)
School District	<1%	3%	Yes (Proposed)
City	1%	3%	Yes (Proposed)
County	<1%	<1%	Yes (Proposed)
University	<1%	<1%	Yes (Required)
Ag/Undeveloped	2%	<1%	Yes (Required)
Total	100%	100%	

Exemptions Effect on 2009-2010 Rate (2-Tier: +/-5,000 sq ft)

Category	Exempt City, ISD, Church, County (Proposed)	Exempt None	Exempt City	Exempt ISD
Residential Tier 1	\$1.20	\$1.10	\$1.15	\$1.15
Residential Tier 2	\$2.10	\$1.95	\$2.00	\$2.00
Commercial	\$0.057	\$0.053	\$0.054	\$0.054

Residential Rate = \$ per month per residence

Commercial Rate = \$ per month per 100 square feet impervious area

Exemptions Effect on Rate 2009-2010 (Flat Rate)

Category	Exempt City, ISD, Church, County (Proposed)	Exempt None	Exempt City	Exempt ISD
Residential	\$2.05	\$1.90	\$2.00	\$2.00
Commercial	0.056	\$0.052	\$0.054	\$0.054

Residential Rate = \$ per month per residence

Commercial Rate = \$ per month per 100 square feet impervious area

Rate per 100 sq ft Impervious Area (2-Tier: +/-5,000 sq ft)

Category	Lot Size	Average Impervious Area	2009-2010 Rate (\$/month)	\$ per 100 sq ft Impervious Area
Residential Tier 1	<5,000 sq ft	2,081 sq ft	\$1.20	\$0.056
Residential Tier 2	≥5,000 sq ft	3,718 sq ft	\$2.10	\$0.056
Commercial	--	--	\$0.056	\$0.056

Residential Rate = \$ per month per residence

Commercial Rate = \$ per month per 100 square feet impervious area